PEACE ARCH ENTERTAINMENT GROUP INC
Form 6-K
April 28, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C., 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15D-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of April, 2004

PEACE ARCH ENTERTAINMENT GROUP INC.
(Translation of Registrant s name into English)

407-124 Merton Street, Toronto, Ontario M4S 2Z2
(Address of principal executive office)

[Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20F or Form 40-F.

Form 20-F

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Form 40-F

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[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

o

No

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(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

82-_______________

April 27, 2004

FOR IMMEDIATE RELEASE

PEACE ARCH ENTERTAINMENT GROUP INC. ANNOUNCES

SECOND QUARTER RESULTS

TORONTO, ONT. Peace Arch Entertainment Group Inc. (AMEX and TSX: PAE) is pleased to announce its results for the three and six months ended February 29, 2004.

The Company delivered the feature films Direct Action and The Keeper and 8 episodes of a 13 episode television series Campus Vets in the quarter. The Company also closed a marketing and film enhancement deal for two of its films, The Keeper and Hollywood Flies . During the quarter, the Company was in production of 7 new feature films. This compares to the delivery of 3 feature films, 5 episodes of a 13 episode prime-time television series and 2 documentary specials for the same period in the prior year.

The Company s revenue totaled $7.7 million for the quarter, compared with $10.1 million for the second quarter of FY2003. The decrease in revenue reflects the Company s delivery of an additional feature film in the second quarter of FY2003.

The Company reported net earnings of $1.5 million or $0.09 basic earnings per share and $0.07 diluted earnings per share, for the six months ended February 29, 2004 compared with net earnings of $4.8 million, or $0.80 basic earnings per share and $0.56 diluted earnings per share for the FY2003 comparable period. For the FY2003 comparable period, the Company reported net earnings of $0.2 million before a one-time gain on modification of debt of $4.6 million.

The Company reported year-to-date earnings from operations before undernoted, as indicated in the financial statements, of $2.0 million for the six months compared with $132,000 for the FY2003 comparable prior period. Earnings from operations before the undernoted, which the Company defines as revenue less amortization of investment in film and television programming, other production and distribution costs, selling, general and administrative costs and other amortization, is a non-GAAP measure. The Company considers earnings from operations to be a meaningful performance measure as it provides an approximation of the Company s operational results.

Peace Arch Entertainment Group Inc., one of Canada s foremost entertainment companies, creates, develops, produces and distributes feature films and proprietary television programming for worldwide markets. Peace Arch Entertainment Group Inc. has offices in Vancouver, Toronto and London, England.

This press release includes statements that may constitute forward-looking statements, usually containing the words believe , estimate , project , expect , or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company s products and services in the marketplace, competitive factors,

dependence upon third-party vendors, availability of capital and other risks detailed in the Company s periodic report filings with the Securities and Exchange Commission. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

For media inquires, please contact:

Nicole Spracklin

Peace Arch Entertainment Group Inc.

Tel: (416) 487-0377 (ext. 237)

Email: nspracklin@peacearch.com

PEACE ARCH ENTERTAINMENT GROUP INC.

CONSOLIDATED BALANCE SHEETS

As at February 29, 2004 and February 28, 2003 and August 31, 2003

(Expressed in thousands of Canadian dollars)

February 29,	August 31,	February 28,
2004	2003	2003

(unaudited)

(audited)

(unaudited)

ASSETS

Cash and cash equivalents

$

344

$

911

$

1,059

Accounts and other receivables

27,895

14,747

11,472

Investment in film and television programming

19,653

20,805

14,769

Prepaid expenses and deposits

487

407

401

Property and equipment

70

35

761

Deferred financing costs

-

-

493

$ 48,449 $ 36,905 $ 28,955

LIABILITIES

Production loans

$

18,964

$

17,973

$

13,241

Accounts payable and accrued liabilities

6,939

2,973

2,584

Deferred revenue

3,238

8,823

4,116

Deferred gain

-

-

371

Distribution obligation

2,312

2,312

-

Promotion and advertising obligation (note 5)

10,158

-

-

Non-controlling interest (note 6)

346

-

27

Term loans

-

-

4,678

Obligation to issue shares

3,076

2,887

-

45,033 34,968 25,017

SHAREHOLDERS EQUITY

Capital Stock

35,888

35,878

35,750

Contributed surplus

337

337

-

Other paid-in capital

680

680

1,189

Deficit

(33,489)

(34,958)

(33,001)

3,416 1,937 3,938

$ 48,449 $ 36,905 $ 28,955

Approved by the Board of Directors

/s/ Gary Howsam	Director	/s/ Richard Watson	Director
Gary Howsam		Richard Watson	

PEACE ARCH ENTERTAINMENT GROUP INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(Expressed in thousands of Canadian dollars except per share information)

	3 months ended February		**6 months ended February**	
	2004	**2003**	**2004**	**2003**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	**$ 7,654**	**$ 10,091**	**$ 12,878**	**$ 11,724**
Expenses				
Amortization of investment in film and television programming				
and other production costs	5,329	8,824	9,633	10,084
Other production and distribution costs	3	215	139	267
Selling, general and administrative	624	732	1,129	1,097
Other amortization	4	41	6	144
	5,960	9,812	10,907	11,592
Earnings from operations before undernoted	1,694	279	1,971	132
Interest income	7	87	7	129
Interest expense	(1)	(15)	(2)	(110)
Provision for share issuance (note 4)	(94)	-	(188)	-
Gain on sale of assets	-	32	-	65
Foreign exchange gain	26	25	27	23
Gain on modification of debt	-	4,604	-	4,604
Non-controlling interest (note 6)	(346)	(27)	(346)	(27)

Earnings before income taxes	1,286	4,985	1,469	4,816
Provision for income taxes	-	-	-	-
Net earnings for the period	**1,286**	**4,985**	**1,469**	**4,816**
Net earnings per common share				
BASIC	**$ 0.07**	**$ 0.84**	**$ 0.09**	**$ 0.80**
DILUTED	**$ 0.06**	**$ 0.60**	**$ 0.07**	**$ 0.56**

CONSOLIDATED STATEMENTS OF DEFICIT

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(Expressed in thousands of Canadian dollars)

	3 months ended February		**6 months ended February**	
	2004	**2003**	**2004**	**2003**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Deficit, beginning of period	$ (34,775)	$ (37,986)	$ (34,958)	$ (37,817)
Net earnings for the period	1,286	4,985	1,469	4,816
	$ (33,489)	$ (33,001)	$ (33,489)	$ (33,001)

PEACE ARCH ENTERTAINMENT GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(Expressed in thousands of Canadian dollars)

	3 months ended February		6 months ended February	
	2004	**2003**	**2004**	**2003**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cash flows from operating activities				
Net earnings for the period	$ 1,286	$ 4,985	$ 1,469	$ 4,816
Items affecting cash				
Amortization of film and television programming				
and other production costs	5,329	8,824	9,633	10,084
Other amortization	4	41	6	144
Interest on debt discount	-	(49)	-	-
Provision for share issuance	94	-	188	-
Gain on modification of debt	-	(4,604)	-	(4,604)
Gain of sale of assets	-	(32)	-	(65)
Non-controlling interest	346	27	346	27
Investment in film and television programming	(5,013)	(13,738)	(8,482)	(15,527)
Changes in non-cash operating working capital	(5,241)	(12,139)	(4,686)	(10,580)
	(3,195)	(16,685)	(1,526)	(15,705)
Cash flows from investing activities				
Increase in deferred costs	-	(147)	-	(367)
Property and equipment acquired	(21)	-	(41)	-
	(21)	(147)	(41)	(367)
Cash flows from financing activities				
Increase in bank indebtedness	6,359	12,232	7,900	11,386
Increase (decrease) in debt	(3,045)	516	(6,910)	(103)
Issuance of common shares	-	3,880	10	3,880
	3,314	16,628	1,000	15,163
Increase (decrease) in cash and cash equivalents	98	(204)	(567)	(909)

Cash and cash equivalents, beginning of period	246	1,263	911	1,968
Cash and cash equivalents, end of period	$ 344	$ 1,059	$ 344	$ 1,059
Supplemental cash flow information				
Interest paid	1	15	2	110
Income taxes paid	-	-	-	-
Income taxes recovered	-	-	-	-
Non-cash transactions				
Obligation to issue shares	94	-	188	-
Issuance of convertible instruments and reduction in value of debt	-	509	-	509

PEACE ARCH ENTERTAINMENT GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(unaudited)

(Dollar amounts in tables expressed in thousands of Canadian dollars)

1.

Operations

Based in Toronto, Ontario, Canada, Peace Arch Entertainment Group Inc., together with its subsidiaries, (collectively, the Company) is a fully integrated company that creates, develops, produces and distributes film, television and video programming for world-wide markets.

2.

Future Operations

The interim consolidated financial statements have been prepared on the "going concern" basis, which assumes the realization of assets and the settlement of liabilities in the normal course of operations. The application of the "going concern" basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations or, in the absence of adequate cash flows from operations, obtaining additional financing to meet its obligations as they come due. These consolidated financial statements do not reflect adjustments that would be necessary if the "going concern" basis is not appropriate.

2.

Significant Accounting Policies

(a)

Basis of Presentation

The interim consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Canada for interim financial reporting. Accordingly, they do not include all of the information and footnote disclosures necessary for complete financial statements in conformity with Canadian generally accepted accounting principles. The interim consolidated financial statements have been prepared in a manner which is consistent with the accounting policies described in the Company s Annual Report for the year ended August 31, 2003 and should be read in conjunction therewith.

The interim consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany balances and transactions have been eliminated.

(b)

Comparative Figures

Certain comparative figures have been restated to conform to the basis of presentation adopted for the current period.

(c)

Earnings before interest, taxes, depreciation and amortization (EBITDA)

EBITDA is comprised of net earnings from operations before the undernoted plus other amortization. EBITDA is not a measure recognized under Canadian or United States generally accepted accounting principles. The calculation of EBITDA may be different from that presented by other companies and therefore may not be comparable to other companies. Management believes EBITDA is an important measure of the Company s earnings and its ability to generate cash from its core business activities.

(d)

Non-controlling interest

Non-controlling interest represents the interests of arm s length parties ownership position in the Company s business interests in which the Company controls.

PEACE ARCH ENTERTAINMENT GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(unaudited)

(Dollar amounts in tables expressed in thousands of Canadian dollars)

4.

Debt Restructuring

During the year ended August 31, 2002, the Company entered into an agreement with Fremantle Enterprises Inc. (Fremantle), an existing trade creditor, whereby Fremantle agreed to exchange its trade payable balance of $7,783,000 for a term loan secured by a charge on the assets of the Company and a secured interest in certain copyrights to productions. The promissory note bore interest at 10% per annum and was intended to mature on June 30, 2004.

Effective January 30, 2003, the Company and Fremantle agreed to restructure the remaining $7,580,000 of term debt due to Fremantle. Fremantle agreed that the revised source of debt repayments and security would be restricted to the business, assets, and undertakings of the Company as they existed immediately prior to January 30, 2003 (the pre-existing assets). The new debt has no fixed repayment dates. Interest, which continues to accrue at 10% per annum, and principal are payable from the income streams of the pre-existing assets, subject to priority interests. The revised terms also exclude a previous right of prepayment by the Company of all outstanding amounts.

Pursuant to the Debt Repayment Agreement dated January 30, 2003, the Company has also agreed that if any amount of the Fremantle debt, including unpaid interest, remains outstanding as of December 31, 2004, Fremantle will, for a period of 90 days, have the right to convert such unpaid amount to Class B Subordinate Voting Shares in the capital of the company at the lesser of either (a) $5.00 per share or (b) the average trading close price of the shares for the 30 days prior to December 31, 2004, provided that in no event shall the conversion price be less than $3.00 per share.

The modification of the debt is treated for accounting purposes as a settlement of the original debt, as the present value of cash flows under the terms of the modified debt instrument is at least 10% different from the carrying amount of the original debt. The fair value of the debt after modification is based on the discounted expected future cash flows of the pre-existing assets. The Company recorded a gain on modification of the debt, for the year ended August 31, 2003.

Release and reconstitution of a loan guarantee

During the year ended August 31, 2001, the Company guaranteed a loan due to Comerica Bank California (Comerica) to a maximum of US$2,075,000 on behalf of a co-production partner. During the year ended August 31, 2002, the co-production partner defaulted on its loan payments. As at August 31, 2002, the amount of the outstanding related debt was $1,675,000 (US$1,075,000) and the Company recognized its obligation as debt and receivable due from the co-producer. The receivable was written off at August 31, 2002.

During the year ended August 31, 2003, the Company entered into a Release and Reconstitution Agreement with Comerica which restructured the terms of the loan guarantee. Repayment of the loan is restricted to the ultimate proceeds of specific exploitation rights secured under the original loan agreement and, subject to priority interests, including repayment to Fremantle, to the pre-existing assets.

If any amount of the Comerica liability remains outstanding as of December 31, 2005, Comerica will, for a period of 90 days, have the right to convert such unpaid amount to Class B Subordinate Voting Shares in the capital of the Company at a deemed price of $5.00 per share. The modification of the Comerica obligations is treated for accounting purposes as a settlement of the original debt, as the present value of cash flows under the terms of the modified debt is at least 10% different from the carrying amount of the original debt.

PEACE ARCH ENTERTAINMENT GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(unaudited)

(Dollar amounts in tables expressed in thousands of Canadian dollars)

The fair value of the debt after modification is based on the discounted expected future cash flows of the pre-existing assets.

Conversion instruments

As described, and in conjunction with the above, on January 30, 2003, the Company issued a conversion instrument to Fremantle which permits Fremantle to convert the amount of its outstanding debt including unpaid accrued interest at December 31, 2004, if any, into Class B Subordinate Voting Shares of the company for a period of 90 days commencing on December 31, 2004. The conversion price will be the lower of either (a) $5.00 per share or (b) the average closing price of the Class B shares for the 30 days prior to December 31, 2004, provided that in no event shall the conversion price be less than $3.00 per share. Pursuant to the conversion instrument, 2,527,000 Class B shares, which represent the number of shares that could be issued for the principal amount of debt of $7,580,000, have been reserved for issuance.

As described, and in conjunction with the above, on January 30, 2003, the Company issued a conversion instrument to Comerica which permits Comerica to convert the amount of its outstanding loan at December 31, 2005, if any, into Class B Subordinate Voting Shares of the Company for a period of 90 days commencing on December 31, 2005 at a price of $5.00 per share. Pursuant to the conversion instrument, 366,000 Class B Shares, which represent the number of shares that could be issued for the obligation of US$1,075,000, have been reserved for issuance.

During the year ended August 31, 2003, the Company adopted the Statement of Financial Accounting Standards (SFAS) No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity, which established standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity.

Reorganization of a subsidiary, Peace Arch Project Development Corp. (PAPDC)

During the year ended August 31, 2003, the Company carried out a reorganization and rationalization of its assets, operations and subsidiaries.

Pursuant to the reorganization, the Company s wholly owned subsidiary, PAPDC, became the owner of substantially all of the assets and business (collectively, the pre-existing assets) as at January 30, 2003. The pre-existing assets consisted principally of accounts and loans receivable, film and television programming rights, and all shares and other securities (including intercompany loans) held by the Company in its subsidiaries existing at January 30, 2003.

At the same time, PAPDC and its subsidiaries directly or indirectly were assigned substantially all of the pre-existing debts and liabilities of the Company, including the Company s indebtedness to Fremantle and Comerica. However, the Company continues to have a conditional obligation to satisfy any remaining indebtedness to Fremantle and Comerica by issuing a variable number of shares to Fremantle and Comerica under Conversion Rights Certificates (the conversion instruments) issued by the Company to each of them.

Subsequent to the reorganization of PAPDC described above, on August 1, 2003, the Company sold all of its shares of PAPDC for nominal consideration.

Pursuant to the terms of the Fremantle conversion instrument, the Company has estimated the fair value of the obligation to issue shares for the interest accrued for the six month period and has taken a charge of $188,000 in the Company s consolidated statement of operations.

5.

Promotion and Advertising Obligation

During the quarter, the Company entered into promotional and film enhancement agreements for two of its productions whereby the Company has arranged for the support of the promotion and advertising campaign for the two films during their release. The promotion and advertising obligation is offset by an accounts receivable.

6.

Non-controlling Interest

During the quarter, the Company delivered two productions and earned profit in a subsidiary where each of these businesses consists of a non-controlling interest in the ownership and entitlement to the profit. These amounts are payable to the non-controlling interests as and when dividends or profits from these businesses are declared and paid to the non-controlling interests and the Company.

7.

Segmented Information

Revenue by geographic location, based on the location of customers.

	2004	**2003**
	$	**$**
Revenue		
Canada	2,341	3,558
United States	2,923	2,542
Spain	-	1,225
France	-	1,940
Other foreign	7,614	2,459
	12,878	11,724

8.

Related Party Transactions

The Company has entered into the following related party transactions. These transactions are measured at the exchange amount, which is the actual amount of consideration given as established and agreed between the related parties.

(a)

During the six months ended February 29, 2004, the Company paid $79,000 (2003- $29,000) to a company controlled by a director and officer of the Company for executive services rendered. These expenditures are reflected in the Company s selling, general and administrative expenses.

(b)

During the six months ended February 29, 2004, the Company paid $43,000 (2003 - $nil) to a director of the Company for legal services rendered. These expenditures are reflected in the Company s selling, general and administrative expenses.

PEACE ARCH ENTERTAINMENT GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(unaudited)

(Dollar amounts in tables expressed in thousands of Canadian dollars)

(c)

At February 29, 2004, the Company was indebted to a company controlled by a director and officer of the Company in the amount of $2,223,000. With the exception of $304,000, this loan bears interest at the rate of prime plus 2% per annum.

(d)

At February 29, 2004, the Company was owed $1,959,000 from related party c) above, which is included in accounts and other receivables. This balance is unsecured, non-interest bearing and has no specified repayment date.

1.

Subsequent Events

The shareholders, at its shareholder meeting held on February 11, 2004, approved the Company s plan to restructure its share capital, by which all Class A Multiple Voting Shares and all Class B Subordinate Voting Shares will be merged into one class of common shares all having one vote each. The new common shares commenced trading on March 16, 2004.

The symbol for the Company s common shares on the Toronto Stock Exchange is PAE . The previous symbols for the Company s Class A Multiple Voting Shares (PAE.A) and Class B Subordinate Voting Shares (PAE.B) on the Toronto Stock Exchange are no longer applicable and will no longer be used. The symbol for the Company s common shares on the American Stock Exchange remains PAE .

PEACE ARCH ENTERTAINMENT GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended February 29, 2004 and February 28, 2003

(unaudited)

(Dollar amounts in tables expressed in thousands of United States dollars)

SUPPLEMENTAL INFORMATION

For the convenience of the reader, operating results for the six months ended February 29, 2004 and February 28, 2003 have been translated into US Dollars using the average exchange rate in effect for the periods. The average rate used for the six months ending February 29, 2004 was US$0.76 for each $1.00 Canadian. Balance sheet information has been translated into US Dollars using the Bank of Canada noon spot rate in effect at the balance sheet dates. The Bank of Canada noon spot rate in effect at February 29, 2004 was US$0.75 for each $1.00 Canadian. These translations are not necessarily representative of the amounts that would have been reported if the Company had historically reported its financial statements in US Dollars. In addition, the rates utilized are not necessarily indicative of rates in effect at any other time.

EBITDA - comprised of net earnings from operations before undernoted plus other amortization.

PEACE ARCH ENTERTAINMENT GROUP INC.

UNITED STATES DOLLARS

Selected Financial and Operating Information

For the Six Months Ended February 29, 2004 and February 28, 2003

(Reported in accordance with generally accepted accounting principles in Canada)

(Expressed in thousands of US Dollars except per share information)

2004

2003

(unaudited) (unaudited)

Revenue

$

9,756

$

7,535

Earnings for the period

1,113

3,095

EBITDA

1,119

3,176

Diluted earnings per common share

$

0.05

$

0.36

Selected Balance Sheet Information

As at February 29, 2004 and February 28, 2003

(Reported in accordance with generally accepted accounting principles in Canada)

2004

2003

(unaudited) (unaudited)

Cash and cash equivalents

$

257

$

711

Accounts and other receivables

20,817

7,699

Investment in film and television programming

14,666

9,912

Prepaid expenses and deposits

363

269

Property and equipment

52

511

Deferred financing costs

-

331

Total Assets

36,156

19,433

Production loans

14,152

8,887

Accounts payable and accrued liabilities

5,178

1,734

Deferred revenue

2,416

2,762

Deferred gain

-

249

Non-controlling interest

258

18

Debt

-

3,140

Distribution obligation

1,725

-

Promotion and advertising obligation

7,581

-

Obligation to issue shares

2,296

-

Total Liabilities

33,607

16,790

Capital stock

26,782

23,993

Contributed surplus

251

-

Other paid-in capital

507

798

Deficit

(24,992)

(22,148)

Shareholders equity

2,549

2,643

Form 52-109FT2 - Certification of Interim Filings during Transition Period

I, Gary Howsam, Chief Executive Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Peace Arch Entertainment Group Inc., (the issuer) for the interim period ending February 29, 2004;

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of

the issuer, as of the date and for the periods presented in the interim filings.

Date: April 27, 2004

/s/ Gary Howsam

Gary Howsam

CEO

Form 52-109FT2 - Certification of Interim Filings during Transition Period

I, Mara Di Pasquale, Chief Financial Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Peace Arch Entertainment Group Inc., (the issuer) for the interim period ending February 29, 2004;

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: April 27, 2004

/s/ Mara Di Pasquale

Mara Di Pasquale

CFO

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Peace Arch Entertainment Group Inc.
(Registrant)

Date	**April 27, 2004**	**By**	**Mara Di Pasquale**
			(Signature)*
			Mara Di Pasquale, Chief Financial Officer

***Print the name and title under the signature of the signing officer.**

GENERAL INSTRUCTIONS

A.

Rule as to Use of Form 6-K,

This form shall be used by foreign private issuers which are required to furnish reports pursuant to Rule 13a-16 or 15d-16 under the Securities Exchange Act of 1934.

B.

Information and Document required to be Furnished,

Subject to General Instruction D herein, an issuer furnishing a report on this form shall furnish whatever information, not required to be furnished on Form 40-F or previously furnished, such issuer (I) makes or is required to make public pursuant to the law of the jurisdiction of its domicile or in which it is incorporated or organized, or (ii) files or is required to file with a stock exchange on which its securities are traded and which was ;made public by that exchange, or (iii) distributes or is required to distribute to its security holders.

The information required to be furnished pursuant to (I), (ii) or (iii) above is that which is material with respect to the issuer and its subsidiaries concerning: changes in business; changes in management or control; acquisitions or dispositions of assets; bankruptcy or receivership; changes in registrant s certifying accountants; the financial condition and results of operations; material legal proceedings; changes in securities or in the security for registered securities; defaults upon senior securities; material increases or decreases in the amount outstanding of securities or indebtedness; the results of the sub–mission of matters to a vote of security holders; transactions with directors, officers or principal security holders; the granting of options or payment of other compensation to directors or officers; and any other information which the registrant deems of material importance to security holders.

This report is required to be furnished promptly after the material contained in the report is made public as described above. The information and documents furnished in this report shall not be deemed to be filed for the purpose of Section 18 of the Act or otherwise subject to the liabilities of that section.

If a report furnished on this form incorporates by reference any information not previously filed with the Commission, such information must be attached as an exhibit and furnished with the form.

C.

Preparation and Filing of Report

This report shall consist of a cover page, the document or report furnished by the issuer, and a signature page. Eight com−plete copies of each report on this form shall be deposited with the Commission. At least one complete copy shall be filed with each United States stock exchange on which any security of the registrant is listed and registered under Section 12(b) of the Act. At least one of the copies deposited with the Commission and one filed with each such exchange shall be manu−ally signed. Unsigned copies shall be conformed.

D.

Translations of Papers and Documents into English

Reference is made to Rule 12b-12(d) [17 CFR 240.12b-12(d)]. Information required to be furnished pursuant to General Instruction B in the form of press releases and all communications or materials distributed directly to security holders of each class of securities to which any reporting obligation under Section 13(a) or 15(d) of the Act relates shall be in the English language. English versions or adequate summaries in the English language of such materials may be furnished in lieu of original English translations.

Notwithstanding General Instruction B, no other documents or reports, including prospectuses or offering circulars relating to entirely foreign offerings, need be furnished unless the issuer otherwise has prepared or caused to be prepared English translations, English versions or summaries in English thereof. If no such English translations, versions or summary have been prepared, it will be sufficient to provide a brief description in English of any such documents or reports. In no event are copies of original language documents or reports required to be furnished.